

NOTE AND MORTGAGE

Theodore Gehrman and Muriel F. Gehrman, husband and wife

mortgages to the STATE OF OREGON, represented and acting by the Director of Veterans' Affairs, pursuant to ORS 407.030, the following described real property located in the State of Oregon and County of Klamath

Lot 11, Block 5, Tract No. 1145, NOB HILL, a resubdivision of portions of Nob Hill, Irvington Heights, Mountain View Addition and Eldorado Heights, in the County of Klamath, State of Oregon.

together with the tenements, hereditaments, rights, privileges, and appurtenances including roads and easements used in connection with the premises; electric wiring and fixtures; furnace and heating system, water heaters, fuel storage receptacles; plumbing, ventilating, water and irrigating systems; screens, doors; window shades and blinds, shutters; cabinets, built-ins, linoleums and floor coverings, built-in stoves, ovens, electric sinks, air conditioners, refrigerators, freezers, dishwashers; and all fixtures now or hereafter installed in or on the premises; and any shrubbery, flora, or timber, now growing or hereafter planted or growing thereon; and any replacements of any one or more of the foregoing items, in whole or in part, all of which are hereby declared to be appurtenant to the land, and all of the rents, issues, and profits of the mortgaged property.

to secure the payment of Fifty Three Thousand and no/100----- Dollars

(\$ 53,000.00-----), and interest thereon, evidenced by the following promissory note:

I promise to pay to the STATE OF OREGON Fifty Three Thousand and no/100----- Dollars (\$53,000.00-----), with interest from the date of initial disbursement by the State of Oregon, at the rate of 5.9----- percent per annum until such time as a different interest rate is established pursuant to ORS 407.072, principal and interest to be paid in lawful money of the United States at the office of the Director of Veterans' Affairs in Salem, Oregon, as follows:

\$ 315.00----- on or before May 1, 1980----- and \$ 315.00 on the 1st of every month----- thereafter, plus one-twelfth of----- the ad valorem taxes for each successive year on the premises described in the mortgage, and continuing until the full amount of the principal, interest and advances shall be fully paid, such payments to be applied first as interest on the unpaid balance, the remainder on the principal.

The due date of the last payment shall be on or before April 1, 2010-----

In the event of transfer of ownership of the premises or any part thereof, I will continue to be liable for payment and the balance shall draw interest as prescribed by ORS 407.070 from date of such transfer.

This note is secured by a mortgage, the terms of which are made a part hereof.

Dated at Klamath Falls, Oregon Theodore Gehrman
Muriel F. Gehrman
16 JAN. 1980 19-----

The mortgagor or subsequent owner may pay all or any part of the loan at any time without penalty.

The mortgagor covenants that he owns the premises in fee simple, has good right to mortgage same, that the premises are free from encumbrance that he will warrant and defend same forever against the claims and demands of all persons whomsoever, and this covenant shall not be extinguished by foreclosure, but shall run with the land.

MORTGAGOR FURTHER COVENANTS AND AGREES:

1. To pay all debts and moneys secured hereby;
2. Not to permit the buildings to become vacant or unoccupied; not to permit the removal or demolition of any buildings or improvements now or hereafter existing; to keep same in good repair; to complete all construction within a reasonable time in accordance with any agreement made between the parties hereto;
3. Not to permit the cutting or removal of any timber except for his own domestic use; not to commit or suffer any waste;
4. Not to permit the use of the premises for any objectionable or unlawful purpose;
5. Not to permit any tax, assessment, lien, or encumbrance to exist at any time;
6. Advances is authorized to pay all real property taxes assessed against the premises and add same to the principal, each of the advances to bear interest as provided in the note;
7. To keep all buildings unceasingly insured during the term of the mortgage, against loss by fire and such other hazards in such company or companies and in such an amount as shall be satisfactory to the mortgagee; to deposit with the mortgagee all such policies with receipts showing payment in full of all premiums; all such insurance shall be made payable to the mortgagee; insurance shall be kept in force by the mortgagor in case of foreclosure until the period of redemption expires;

8. Mortgagee shall be entitled to all compensation and damages received under right of eminent domain, or for any security voluntarily released, same, to be applied upon the indebtedness;
9. Not to lease or rent the premises, or any part of same, without written consent of the mortgagee;
10. To promptly notify mortgagee in writing of a transfer of ownership of the premises or any part or interest in same, and to furnish a copy of the instrument of transfer to the mortgagee; a purchaser shall pay interest as prescribed by ORS 407.070 on all payments due from the date of transfer; in all other respects this mortgage shall remain in full force and effect.
- The mortgagee may, at his option, in case of a transfer of ownership of the premises or any part or interest in same, require the purchaser to pay interest as prescribed by ORS 407.070 on all payments due from the date of transfer; in all other respects this mortgage shall remain in full force and effect.

Theodore Gehrman (Seal)

Muriel Gehrmann (Seal)

Muriel/Gehrman
F.

ACKNOWLEDGMENT

STATE OF OREGON

County of Klamath

Before me, a Notary Public, personally appeared the within named Theodore Gehrman and Muriel F.

Gehrman, his wife, and acknowledged the foregoing instrument to be their voluntary act and deed.

WITNESS by hand and official seal the day and year last above written.

Notary Public for Oregon

My Commission expires _____

MORTGAGE

FROM TO Department of Veterans' Affairs L. P29089

STATE OF OREGON.

County of **Klamath**

I certify that the within was received and duly recorded by me in Klamath County Records, Book of Mortgages

No. M-80-969 Page 16th on the January day of 1980 County Klamath

By Jacqueline Mettee Deputy

Filed January 16, 1980 at 3:46 P.M.

County Oregon Klamath By Jacqueline J. Mettee Deputy

After recording return to:
DEPARTMENT OF VETERANS' AFFAIRS
General Services Building
Salem, Oregon 97310

Fee \$7.00

Form 4-71 (Rev. 5-71)

HOLE AND BOLTS: